



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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5 AUGUST 1965

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1. South Vietnam

Rumors continue to abound of a coming political crisis in Saigon, including the departure of Ky. It is difficult, however, to pin down hard information that any specific move is afoot.

One version is that Ky intends to provoke a crisis before the arrival of Ambassador Lodge as a pretext for sidelining various politicians to keep them isolated from Lodge.

Despite denials in both Saigon and Taipei, that Ky's forthcoming trip to Taiwan and Thailand is anything more than a goodwill trip, Ky does appear to have something more in mind.

In connection with the trip, Ky's foreign minister has sought Deputy US Ambassador Johnson's advice on an idea of Ky's for an Asian mutual assistance pact--"a screen behind which the US could work."

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2. Communist China

Peiping is continuing to buy gold in London. It has purchased some 20 tons during the past two weeks or so, making about 100 tons this year. It still looks as though the Chinese are trying to hedge against devaluation of the British pound.

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3. Greece

The Novas government having fallen, ex-Premier Papandreou will probably try to force King Constantine to recall him to office or to hold new elections. During recent parliamentary sessions, Papandreou's partisans staged mob scenes in which the Communists happily joined.

[redacted] that he has brought five additional infantry battalions to Athens as a "guarantee against anarchy." He disclaims any thought of a military dictatorship.

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4. Dominican Republic

Imbert still refuses to step down.

Imbert told Ambassador Bunker yesterday that his government is the "provisional government" until the "Communist cancer" can be removed. He also complained that Garcia Godoy, prospective head of a new provisional government, has not put himself on public record as an anti-Communist.

Although the loyalist military commanders still give lip service to the idea that Imbert must retire, there are signs that they are working to keep him because of their distrust of Godoy, who is bent on reforming the military if he gets into office.

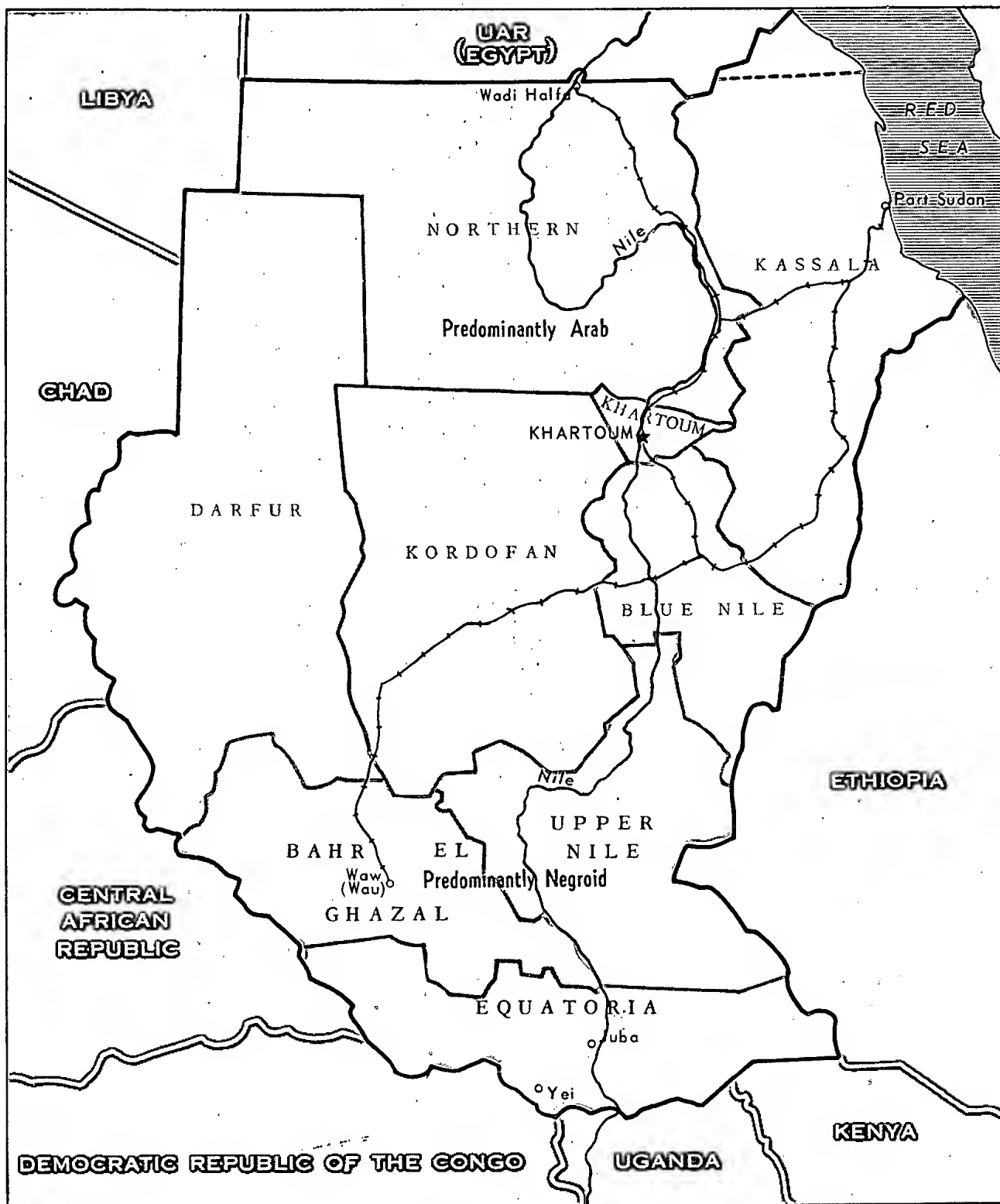
5. Panama

An intercepted police broadcast indicates that the National Guard is on the alert for student demonstrations today, perhaps a "march" on the Presidential Palace. Local Communist student leaders are exploiting student unrest and probably hope to provoke an incident with the guard.

The prospects at present are that the guard can maintain order.

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SUDAN



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6. Sudan

The long guerrilla campaign that dissident Negroid tribesmen have been waging in the southern Sudan seems to have warmed up considerably. Details are lacking, but several Sudanese Army units are said to be in serious trouble (see map).

Khartoum lays the blame on "foreign intervention." The Sudanese are particularly exercised over supply drops they think the Congolese Air Force has made to the rebels, and they have implied that they expect the US to put pressure on Leopoldville because the Congolese planes are US-supplied.

Our embassy in Leopoldville doubts that the Congolese Air Force has been involved, but the rebels may well have been sent or obtained help overland from the Congo.

7. Pakistan

President Ayub is indignant over the postponement of the World Bank's aid-Pakistan consortium meeting. He has been venting his spleen in anti-US speeches and he has allowed his bureaucrats to harass US local operations.

Pakistan's relations with the US thus are continuing their downward spiral. Ayub is directing a press campaign to rally support, and the stock of such pro-US personalities as Finance Minister Shoaib is declining. Given these conditions, there seems to be virtually no chance that Ayub intends to change his course.

Most Pakistani business and political people nevertheless seem convinced that the consortium, and the US, will eventually come through with the money. The consortium's next aid-pledging session is scheduled for 23 September.

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